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UNCLAS COLOMBO 000325

SIPDIS

SENSITIVE

FOR SA, SA/INS/D

E.O. 12958: N/A

TAGS: EAID CE LTTE

SUBJECT: SRI LANKA CORE GROUP MEETING ON TOKYO DONOR CONFERENCE/WASHINGTON "SEMINAR"

SENSITIVE BUT UNCLASSIFIED - PROTECT ACCORDINGLY.

¶1. On February 25, Minister for Economic Reform, Milinda Moragoda, chaired a meeting of the "Core Group" to oversee the planning for the Donor Conference now scheduled for Tokyo June 9-10. Donors who have been invited to co-chair the Tokyo meeting were requested to be part of this Core Group. Those attending the meeting included the Japanese Ambassador and representatives of JABEC, the Norwegian Ambassador, the Country directors for the IMF, World Bank, ADB and UNDP and Ambassador Wills and the USAID Director. The GSL representatives included the Secretary, Ministry of Finance, Secretary General of the Department of External Resources and several key advisors in the Ministry of Policy Development and Implementation.

¶2. In preparation for the Tokyo Conference, four pre-Tokyo Seminars will be held, the first of which is planned for Washington on April 14 for a half day. Ambassador Wills pointed out that this seminar cannot have LTTE representation. This was accepted by the group. When asked about US views on program content for the Washington Seminar, the Ambassador deferred to the GSL to determine what it wanted to accomplish at that seminar. Minister Moragoda stressed that he hoped that the Washington event would feature attendance by ministers attending the IMF and IBRD annual meetings. He was especially interested in having ministers from countries not attending any of the other seminars or the Tokyo conference at the Washington meeting, i.e., Saudi Arabia, the Gulf States, etc. The second seminar will be hosted by Brussels (and Norway); the third is planned for Colombo on May 3 and the Japanese Ambassador said the GOJ would like to host a fourth seminar in Tokyo prior to the main conference in June.

¶3. The discussion covered a variety of topics including the purpose and composition of the Wider Tokyo group, the status and timing for the completion of key documents to be presented in Tokyo and their availability prior to the Conference, and preliminary preparations for the seminars and outline for the Tokyo Conference program. There was considerable discussion regarding the issue that is being raised in other fora by several bilaterals about attaching conditionality to pledges in Tokyo. Ambassador Wills pointed out that the LTTE needs to do something meaningful prior to Tokyo to get maximum generosity from the donors and to bolster the GSL's standing in the south.

4..The next Core Group planning meeting to discuss in more detail the programs and expected outcomes of the four pre-Tokyo seminars and Tokyo Conference itself is scheduled for March 10 and will be followed by an information meeting with an Expanded Tokyo group.

¶5. Comment: We still don't know exactly what the GSL wants to accomplish at the Washington seminar or at the other three pre-Tokyo seminars. But we expect this to be clarified in the days ahead as the GSL focuses on the matter. This meeting was its first attempt to do so. Our guess is that the Washington seminar will be an occasion to attract high-level, preferably ministerial-level donors to a discussion of the situation in Sri Lanka. No pledging will be involved. We shall be pesky to the point of obnoxiousness in seeking clarification of what the GSL and the Core Group want to emerge from the Washington seminar because we know the Department and USAID are keen to be informed.

WILLS